



BOEING AND AIRBUS: THE ORDER BATTLE IN FEBRUARY 2016

News / Manufacturer



Summary

Two months into 2016 Boeing is in the lead.

February was a weak month for both jet makers.

Airbus received its first cancellations of the year.

The order battle between Boeing and Airbus is one of the ways for Boeing and Airbus to flex their muscles, next to marketing their products as the best solution with the highest fuel efficiency and passenger comfort. Despite the fact that the orders (in terms of value) are in no way a reflection of financial performance, it is important to have a look at the order inflow since it gives a nice idea of which manufacturer offers the best mix of discount, comfort, slot availability and efficiency.

In this article, I will have a look at the order inflow during February and have a look at their role in the narrow and wide body market.

February Overview

In February, Airbus and Boeing, together, hauled in 4 orders compared to 10 in the same month last year. Looking at the division of the orders, Boeing can be marked as the 'winner'. Boeing received 2 orders, while Airbus received 2 orders and 7 cancellations.

Boeing's order inflow was one-sided with the only order inflow being for the Boeing 737-800.

- United Airlines ordered 1 Boeing 737-800
- An undisclosed customer ordered the second Boeing 737-800 airframe

Airbus order inflow was not a lot different with the only order inflow coming from orders for the Airbus A320ceo:

- An undisclosed customer ordered 2 Airbus A320ceo

In terms of value, Boeing also seems to be the winner of February, the Boeing orders are valued at \$90.2M while the Airbus orders are valued at \$78.4M. The gap is too narrow to actually mark either jet maker as the winner, but it has to be taken into account that Airbus lost over \$700M worth of orders.

Boeing and Airbus were off for a strong start in January, but after February both jet makers have to put all hands on deck to reach their targets. There are still 10 more months to reach the sales targets, but I do think for Boeing and Airbus it will become more and more of a challenge to reach their targets.

Figure 1: Infographic Orders February (Source:AeroAnalysis.net)

- Airbus received 7 cancellations, leaving the jet maker with 11 net orders
- Year to date, Boeing is clearly in the lead Boeing nor Airbus received orders for their wide body aircraft

Conclusion

Not a lot of conclusions can be drawn yet, since it is too early to draw any meaningful conclusions. However, Boeing can be marked as the winner of the first 2 months booking 6 times more net orders than Airbus. February was a month that Boeing and Airbus probably want to forget as soon as possible. With order inflow being this weak, Boeing nor Airbus will feel like a winner.

Disclosure: I am/we are long BA.

I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

30 MARCH 2016

SOURCE: SEEKING ALPHA

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